

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

NATIONAL STEEL CORPORATION

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FE DOCKET NO. 92-122-NG

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ORDER GRANTING BLANKET AUTHORIZATION TO IMPORT  
AND EXPORT NATURAL GAS FROM AND TO CANADA

DOE/FE ORDER NO. 734

NOVEMBER 20, 1992

## I. DESCRIPTION OF REQUEST

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On September 24, 1992, National Steel Corporation (National Steel) filed an application with the Office of Fossil Energy of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA), requesting blanket authorization to: 1) import up to 125 Bcf of natural gas and liquefied natural gas (LNG) from Canada, Mexico, Algeria and other unidentified foreign countries; and, 2) export up to 75 Bcf of natural gas to Canada and Mexico. The requested authorization is for a period of two years from the date of first delivery of either import or export. On November 17, 1992, National Steel amended its application to withdraw its request to import and export gas from and to foreign countries other than Canada.

National Steel is a Delaware corporation with operations in Minnesota, Illinois, Indiana, Michigan, and Pennsylvania. National Steel is 30 percent owned by National Intergroup, Inc. and 70 percent owned by NKK Corporation, a Japanese corporation. The natural gas imported under this authorization would be used in any of National Steel's existing facilities.

## II. FINDING

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The amended application filed by National Steel has been evaluated to determine if the proposed import and export arrangement meets the public interest requirements of section 3 of the NGA, as amended by section 201 of The Energy Policy Act of 1992 (P.L. 102-486). Under section 3(c), the import and export of natural gas from or to a nation with which there is in effect

a free trade agreement requiring national treatment for trade in natural gas is deemed to be consistent with the public interest and must be granted without modification or delay. The authorization sought by National Steel to export and import natural gas to and from Canada, a nation with which a free trade agreement is in effect, meets the section 3(c) criterion and is therefore consistent with the public interest.

ORDER

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For the reasons set forth above, under section 3 of the Natural Gas Act, it is ordered that:

A. National Steel Corporation (National Steel) is authorized to export up to 75 Bcf of natural gas to Canada and import up to 125 Bcf of natural gas from Canada over a two-year term beginning on the date of first delivery. The gas may be imported or exported at any point on the international border.

B. Within two weeks after deliveries begin, National Steel shall notify the Office of Fuels Programs, Fossil Energy, Room 3F-056, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, in writing of the date that the first import or export of natural gas authorized in Ordering Paragraph A above occurred.

C. With respect to the natural gas imports/exports authorized by this Order, National Steel shall file with the Office of Fuels Programs, within 30 days following each calendar quarter, quarterly reports indicating whether imports or exports of natural gas have been made. If no imports or exports have

been made, a report of "no activity" for that calendar quarter must be filed. If imports or exports occur, National Steel must report total monthly volumes in Mcf and the average purchase or sales price per MMBtu at the international border. The reports shall also provide the details of each import or export transaction, including (1) the name of the seller(s); (2) the name of the purchaser(s); (3) the estimated or actual duration of the agreement(s); (4) the name of the U.S. transporter(s); (5) point(s) of entry or exit; (6) the geographic market(s) served; and (7) whether sales are being made on an interruptible or firm basis.

D. The first quarterly report required by Ordering Paragraph C of this Order is due not later than January 30, 1993, and should cover the period from the date of this order until the end of the current calendar quarter December 31, 1992.

Issued in Washington, D.C., on November 20, 1992.

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Charles F. Vacek  
Deputy Assistant Secretary  
for Fuels Programs  
Office of Fossil Energy